

THE HIGHLAND COUNCIL

PLANNING, DEVELOPMENT & INFRASTRUCTURE COMMITTEE

5 NOVEMBER 2014

Agenda Item	5
Report No	PDI 39/14

CAPITAL EXPENDITURE MONITORING – 1 APRIL 2014 TO 30 SEPTEMBER 2014

Report by Director of Development & Infrastructure

**Summary**

This report invites Members to approve the capital expenditure monitoring position for the period from 1 April 2014 to 30 September 2014.

**1. Background**

- 1.1 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome Agreement.
- 1.2 The Council's Capital Programme was approved at the Highland Council on 27 June 2013, and reflected £10m over-programming. Over-programming represents the difference between the capital programme agreed, and the funding in place. It reflects a plan to set a higher level of programme, on the basis that some degree of slippage in the year is to be expected, which would bring the programme down to the funded level. Over-programming has been introduced to avoid issues experienced in past years where slippage resulted in the Council underspending its capital programme.
- 1.3 The summary of capital expenditure against current programme and estimated outturn is included in **Appendix A**. The "Budget" column is that approved by the Highland Council on 27 June 2013, amended to include the 2013/14 underspend of £2.844m.
- 1.4 A contribution of £0.150m, towards the estimated cost of £0.763m of the Highland Science Skills Academy (part of the joint HIE/UHI facility on the Inverness Campus site), was approved at Resources Committee on 27 August 2014. The capital programme has been increased to reflect the contribution towards the project.

**2. Expenditure**

- 2.1 After 6 months of the financial year end the gross expenditure is £17.087m representing 40.0% of the 2014/15 programmed figure.

### **3. Income**

3.1 After 6 months of the financial year the gross income is £2.886m representing 201.7% of the 2014/15 programmed figure. Included in the gross income is a sum of £1.804m carried forward from 2013/14 in respect of the Vacant & Derelict Land Fund (VDLF). The Council received Ministerial approval on the 7 July 2014 to carry over the underspend into 2014/15.

### **4. Progress on Capital Projects**

4.1 Progress on capital projects is as reported in the notes column on **Appendix A**.

### **5. Estimated Outturn**

5.1 The projected outturns for expenditure and income are £42.680m and £1.478m respectively, leading to a small underspend of £0.066m.

### **6. Major Issues and Variances**

6.1 At present there are no major issues or variances.

### **7. Implications**

7.1 Resource implications are discussed in the report.

7.2 There are no legal, equalities, climate change/carbon clever, risk, Gaelic and rural implications arising as a direct result of this report.

## **Recommendations**

Members are invited to approve the capital expenditure monitoring position for the period 1 April 2014 to 30 September 2014.

Designation: Director of Development & Infrastructure

Date: 24 October 2014

Author: Mike Mitchell, Service Finance Manager

Background Papers: Monitoring Statements 30/09/14 and the Highland Council Financial Ledger

THE HIGHLAND COUNCIL											APPENDIX A
MONITORING OF CAPITAL EXPENDITURE - 1ST APRIL 2014 TO 30TH SEPTEMBER 2014											
SERVICE: DEVELOPMENT & INFRASTRUCTURE SERVICES											
Project Description	BUDGET			YEAR TO DATE ACTUAL			ESTIMATED OUTTURN			Variance	COMMENTS
	A	B	C	D	E	F	G	H	I	J	
	Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure	Column I minus Column C	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<b>ROADS AND BRIDGES</b>											
<b>Major Road Improvements</b>											
The Inverness West Link	476	0	476	420	0	420	750	0	750	274	Following a decision of the Council to adopt Option 6 as the preferred option, detailed design work by Consultants Capita Symonds is now being completed. Members wishes that the recreational areas at Torvean and Ness-side be developed and enhanced on the back of the Inverness West Link have been progressed with a Planning in Principle Application progressed for Torvean Golf Course and Sports Hub. A Ground Investigation Contract let to Holequest Ltd has been completed for the West Link. Full Council meeting on 5th September gave approval for issue of Planning Application and CPO, with Planning Application issued on 18th October and CPO on 15th November 2013. Planning Permission was granted at the South Planning Applications Committee meeting on 8 April 2014 and the Compulsory Purchase Order, for the land required for the project, is currently being progressed. Road Orders required for the Stage 1 construction to proceed were published on 12th September 2014
West Link - Sports Hub	0	0	0	33	0	33	37	0	37	37	Members wishes that the recreational areas at Torvean and Ness-side be developed and enhanced on the back of the Inverness West Link have been progressed with a Planning in Principle Application granted at the South Planning Applications Committee meeting on 8 April 2014 for Torvean Golf Course, Sports Hub and Parkland. An outline design layout for a double 3G artificial pitch and a grass pitch and a 10 room changing facility building has been prepared.
West Link - Torvean Golf Course	0	0	0	186	0	186	360	0	360	360	Detailed plans for a new 18 hole golf course, clubhouse and maintenance facility are being progressed in readiness for a detailed planning application. A ground investigation is currently being carried out.
West Link - Highland Rugby Club	0	0	0	17	0	17	15	0	15	15	Detailed plans for an IRB standard artificial pitch, regrading of two grass pitches and a clubhouse and 8 room changing facility are being progressed.
Inshes Junction Phase 1 - Culloden Rd Improvement	35	0	35	1	0	1	35	0	35	0	Works completed in July 2013. Fully funded by Developer's Contributions. £24K Retention paid. Additional signing required - estimated £1,500.
Inshes Junction Phase 2 - Improvements West of Inshes	500	0	500	70	0	70	150	0	150	(350)	Design work ongoing. Work being coordinated with Transport Scotland and their work on the East Link, now entitled A9/A96 Connectivity Study with a public exhibition held jointly in late May and early June 2014. Flood alleviation for the Dell Burn part of their project assessment works. Fully funded by Developer's Contributions - £175K.
Kinnairdie Link Road, Dingwall - Phase 1	176	0	176	29	0	29	76	0	76	(100)	Design work ongoing, planning application submitted, objections are being considered, issues raised by Network Rail regarding level crossings which are being looked into as is land access for the works. Flooding issues also being addressed to ensure that where opportunities arise flood mitigation can be provided. £150K Funded by Developer's Contributions.
Stromeferry Rockface	90	0	90	0	0	0	90	0	90	0	Preparation of contract for 2015 maintenance works ongoing.
<b>Minor Roads</b>											
A99 Keiss to North of Keiss Widening	400	0	400	74	0	74	400	0	400	0	Advance drainage works completed by DLO. Widening footpath & drainage planned for 2014/2015 by DLO. Surfacing costs in 2015/2016.
B851/B862 South Loch Ness Road Improvements	630	(600)	30	339	(901)	(562)	630	(600)	30	0	Major projects at Sockichs and Flichity start Nov 2014. In addition land acquisition, fencing and accomodation works will progress.
A832 Slattadale Widening	800	0	800	23	0	23	800	0	800	0	Forecast tender date delayed to October 2014. Contract awarded in December 2014 for January 2015 start.
A890 Strathcarron Widening	800	0	800	483	0	483	500	0	500	(300)	Only projected spend is retention of £24k to be paid in June 2015
B9091 Clephanton Bends Improvement	50	0	50	9	0	9	50	0	50	0	Survey, G&I design planned 2014/2015. Site start in April 2015.
Achnasheen Road Restraint System	250	0	250	0	0	0	250	0	250	0	Survey of work in September - design work now proceeding works expected on site in February / March 2015

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<b>Lifeline Roads</b>											
A855 - Portree to Staffin	0	0	0	16	0	16	75	0	75	75	Works complete on strip widening scheme. Monitoring being carried out of deformation at one location arising from peat under existing road.
A861 Drynie Hill - ERDF	0	(144)	(144)	3	(203)	(200)	5	(144)	(139)	5	ERDF funding to be received.
A890 Strathcarron Junction to Balnacra - ERDF	(540)	0	(540)	0	0	0	(264)	0	(264)	276	Works complete - in maintenance.
Laxford Bridge North Approach	20	(167)	(147)	4	0	4	20	(167)	(147)	0	Works are now complete. £12K retention due in October 2014. Additional variable message sign required - £9K.
A832 Slattadale to Kerryside	0	0	0	0	0	0	30	0	30	30	Preliminary design studies.
A890 Balnacra to Lair Rail Bridge	75	0	75	0	0	0	20	0	20	(55)	
A890 Stromeferry Bypass	0	0	0	68	0	68	100	0	100	100	Reporting of Stage 2 Options Appraisal to aid Council decision on preferred route option, committee report November 2014 external source of funding to be sought.
<b>Major Bridge Works</b>											
A862 Muir of Ord Railway Bridge	100	0	100	2	0	2	100	0	100	0	Design Complete. Major advance Public Utilities work taking place. Advert for tenderers placed.
A836 Naver Bridge, Bettyhill, Sutherland	100	0	100	0	0	0	100	0	100	0	Preliminary design.
B863 Invercoe Bridge, Lochaber	140	0	140	31	0	31	140	0	140	0	Preliminary design.
Wick Harbour Bridge	10	0	10	0	0	0	10	0	10	0	Preliminary design.
<b>Lifeline Bridges</b>											
B8021 Sand - Lifeline Bridges	10	0	10	3	0	3	10	0	10	0	Scheme complete.
A986 Chada - Lifeline Bridges	100	0	100	11	0	11	100	0	100	0	Design in progress.
B8007 Glenmore Bridge	200	0	200	8	0	8	200	0	200	0	Preliminary design.
B8005 Bridge Replacements - Lifeline Bridges (5)	100	0	100	20	0	20	100	0	100	0	3 Structures complete - Contract awarded for remaining 2 structures.
U1547 Muchrachd - Lifeline Bridges	15	0	15	17	0	17	17	0	17	2	Works complete - in maintenance.
C1112 Innis An Droighinn - Lifeline Bridges	0	0	0	8	0	8	100	0	100	100	Tenders received.
U1074 Ruthven Bridge	150	0	150	3	0	3	150	0	150	0	Design near complete.
A855 Leasgary Bridge	25	0	25	0	0	0	25	0	25	0	Preliminary design.
A855 Rigg Culverts (3)	100	0	100	0	0	0	0	0	0	(100)	In abeyance.
<b>Structural Road Works</b>											
A861 Glenuig - Storm Damage	400	0	400	38	0	38	400	0	400	0	Works complete, in maintenance.
<b>ACTIVE TRAVEL</b>											
ERDF - Green & Active Travel - Millburn Road	(129)	0	(129)	494	(84)	410	(129)	0	(129)	0	Construction works underway. Will be completed in November 2014. Contract costs £720K plus site supervision plus lighting - £50K. £31K of works instructed for HIE cost invoiced and recharged to Active travel included in £720K figure)

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<b>FLOOD PREVENTION</b>											
<b>Flood Prevention Schemes</b>											
River Ness Flood Prevention - Tidal Section (Incl Str	13,573	0	13,573	5,788	0	5,788	13,573	0	13,573	0	Both Phase 1 and Phase 2 contracts underway, including streetscape element.
South West Inverness Storm Water Relief	0	0	0	16	0	16	10	0	10	10	Works complete.
<b>Flood Prevention Orders</b>											
Acharacle Flood Prevention	325	0	325	264	(4)	260	325	0	325	0	Construction works complete. Retention £4K.
River Enrick Flood Prevention, Drumnadrochit	50	0	50	2	0	2	20	0	20	(30)	Development of flood defences within field progressing as well as Kilmichael Road raising.
Dell Burn, Inverness Flood Study	20	0	20	0	0	0	20	0	20	0	Design work ongoing.
River Lochy - Caol Flood Scheme	75	0	75	25	0	25	75	0	75	0	Design work ongoing on Land & Utilities. JBA appointed to re-assess flood mapping and finalise flood levels for various return periods. Report received in September 2014. Will be reported to Ward Meeting in October.
Mill Burn Flood Prevention	20	0	20	0	0	0	20	0	20	0	Ongoing assessment of survey results and scheme options. Progressing construction consents.
Smithton / Culloden Flood Alleviation	720	0	720	144	0	144	720	0	720	0	Due to issue Tender with contract starting in January 2014. Ongoing Phase 3B work will continue with 2nd contract in summer 2014.
Feabuie (Near Balloch) Flood Alleviation	20	0	20	26	0	26	25	0	25	5	Design work ongoing.
Balmacaan - Drumnadrochit - Flood Alleviation	0	0	0	1	0	1	0	0	0	0	Design work ongoing.
Blairninch - Strathpeffer - Flooding	0	0	0	11	0	11	11	0	11	11	Design work ongoing.
<b>WASTE MANAGEMENT</b>											
<b>Landfill Extensions</b>											
Landfill Capacity Extensions - Ph B & C Seater - Cel	1,400	0	1,400	323	0	323	1,400	0	1,400	0	Construction started first week in July 2014 - 30 week contract. Undercell drainage in Cell 10 and capping of Cell 5 underway.
<b>Landfill Restorations</b>											
Croftaugh Remedial Works to Landfill Site	20	0	20	7	0	7	20	0	20	0	Site investigations programmed. Work to commence before the end of the year.
<b>FERRIES AND HARBOURS</b>											
Nether Lochaber Slipway	0	0	0	2	0	2	10	0	10	10	Scheme Complete. Possible remaining land costs.
Sconser Ferry Terminal	30	(500)	(470)	4	(47)	(43)	30	(500)	(470)	0	Construction works now complete and fully operational. £28.5K Retention due to be paid in October 2014. Additional kerbing work required - £6K.
<b>Parks and Play Areas - Development</b>											
Inshes Park (Phases 1 to 3)	50	0	50	3	0	3	50	0	50	0	Budget to be used for rectifying defects.

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<b>STRATEGIC ASSET MANAGEMENT</b>											
Health & Safety & Statutory Compliance	2,608	0	2,608	1,383	0	1,383	2,608	0	2,608	0	53% of budget spent, on track to fully spend by end of the financial year.
Starter Business Units Inverness	1,119	0	1,119	175	0	175	1,119	0	1,119	0	Phase 1 substantially complete. Phase 2 contract under review.
Highland Science Skills Academy	150	0	150	0	0	0	150	0	150	0	Contribution towards the project from the Capital Discretionary Fund.
Wick Office	3,633	0	3,633	2,039	188	2,227	3,633	0	3,633	0	Project progressing, due for completion this financial year.
Dingwall Office Rationalisation	443	0	443	420	0	420	443	0	443	0	Rationalisation of office space is ongoing.
Fort William Office Rationalisation	1,801	0	1,801	0	0	0	1,801	0	1,801	0	Negotiations ongoing on Fort William lease agreements.
Kingussie Office Rationalisation	1,994	0	1,994	74	0	74	1,994	0	1,994	0	Proceeding with necessary land purchase and planning application process.
Energy Management	2,087	(20)	2,067	2,011	(20)	1,991	2,087	(20)	2,067	0	Budget on track to fully spend by end of the financial year. Potential to overspend.
<b>HOUSING (NON HRA)</b>											
National Housing Trust Advances	3,470	0	3,470	1,298	0	1,298	3,470	0	3,470	0	Current activity indicates that the targets will be achieved this financial year.
Private Sector Housing Grants	2,722	0	2,722	364	(4)	360	2,722	0	2,722	0	Levels of demand indicate the targets will be achieved this financial year.
<b>PLANNING &amp; DEVELOPMENT</b>											
Pan Highland Projects	88	0	88	12	0	12	142	0	142	54	Planned overspend on Core Path Network
Town & Countryside Regeneration	590	0	590	73	(7)	66	575	(47)	528	(62)	Underspend on Chanonry Point - work to be tendered
Village & Small Town Regeneration	308	0	308	10	0	10	97	0	97	(211)	Nairn, Thurso and Wick schemes delayed to 2015/16.
Property Upgrading Projects	54	0	54	0	0	0	0	0	0	(54)	Ballachulish - Heritage Lottery application submitted. Historic Scotland £77k grant approved. £200K + project. Underspend carried forward for completion 2014/15. Likely to need additional capital funds.
Inverness City Developments	246	0	246	16	0	16	78	0	78	(168)	Inverness City Gateways - Consultants appointed. Inverness Academy Street THI - project delayed to future years.
Vacant & Derelict Land Fund	0	0	0	186	(1,804)	(1,618)	0	0	0	0	Projects deliverability currently under review.
<b>OVERALL TOTAL</b>	<b>42,699</b>	<b>(1,431)</b>	<b>41,268</b>	<b>17,087</b>	<b>(2,886)</b>	<b>14,201</b>	<b>42,680</b>	<b>(1,478)</b>	<b>41,202</b>	<b>(66)</b>	